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The Consumerization of Healthcare

How mainstream digital experiences
affect healthcare marketing

In association with Adobe

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1. Executive Summary

“We don’t sell a product, we sell an experience.” That’s how 62% of marketing executives in the wellness and healthcare category describe their business.

Healthcare marketers know that their market is changing as the power dynamic shifts toward the consumer. What isn’t so clear is what to do about it.

Based on a survey of 2,655 American healthcare consumers, this paper examines how consumer expectation is changing healthcare, how consumers evaluate and prioritize the different stages of their experience and what marketers can do today to meet these emerging needs.

Key Findings

- The digital shift has arrived in healthcare. Over 70% of executives in the Wellness category say that despite a tumultuous 5 years of change leading to 2019, the next five years will see an increase in the pace of change in consumer behavior.
- Digital natives are in the majority. Generation X encountered the first mass market computers in the 1980s, and every generation since has been online, mobile and social. Three out of four members of the workforce (and business to business buyers) are digital natives.
- When it comes to healthcare, we’re all digital first. Regardless of age range, over 80% of consumers say that they “research every diagnosis online.”
- The healthcare experience is not rated highly. When asked to rank 7 industries for “communications and other elements of your experience as a customer,” consumers placed healthcare fifth, ahead of only automobile (dealers and service) and government (state and local).
- The internet has become our default for discovering and evaluating new service providers. Ninety-two percent of those under 35 say that they go online to find new healthcare providers. Even among those over 55, the figure is above 70%. Two-thirds of all respondents report using sites other than their insurance carrier’s to find and research new HCPs.
- One-third of consumers report that they are less loyal to their regular healthcare providers than they used to be. Among those under 35, the share of those saying they are “less loyal” or “neutral” about those providers (79%) suggests that interpersonal connection is less important in the category than for older demographics.
- Among those who report declining loyalty, the top reason given is that they are “more concerned with service than relationship.”
- Regardless of age, over three-quarters of consumers believe that they should have the same level of service in healthcare that they receive from other businesses.
- The experience healthcare consumers expect is responsive, convenient and digitally-enabled. Nearly 60% of all respondents say they would “absolutely” or “very likely” switch providers if offered an experience that includes faster appointments, online booking and video appointments. Among those under 35 years old, 94% say they would be open to switching providers if offered a better experience.

Read the full report for more information on these and other findings, including the top takeaways for marketers;

- Trust inertia at your peril
- Customer centric is data centric
- Time, access and cost – improve any to win



1.1. Methodology

This report is based on findings from an online survey fielded in Q4 of 2018 to select third-party lists. Survey takers were offered an incentive.

A total of 2,655 qualified respondents completed the survey.

- All respondents reside in North America
- Ages varied from 18 to 75+. There were 1,250 respondents between 18 and 24, 765 between 25 and 35 and 612 over 35 years of age.
- Income, education and employment status reflect the larger U.S. population.

1.2. About Econsultancy

Econsultancy's mission is to help its customers achieve excellence in digital business, marketing and ecommerce through research, training and events.

Founded in 1999, Econsultancy has offices in New York, London and Singapore.

Econsultancy is used by over 800,000 professionals every month. Subscribers get access to research, market data, best practice guides, case studies and elearning – all focused on helping individuals and enterprises get better at digital.

The subscription is supported by digital transformation services including digital capability programs, training courses, skills assessments and audits. We train and develop thousands of professionals each year as well as running events and networking that bring the Econsultancy community together around the world.

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2. Foreword by Adobe

For years, healthcare has operated on an “experiential” island – a healthcare consumer relied upon the expertise of the doctor or other healthcare professionals, engagement was episodic or “as needed”, very little control was exercised by the consumer, and there was little to no transparency within the ecosystem.

This “expectation” on the part of the consumer and providers resulted in very little need for digital engagement, and very little cross-over or bleeding through of experiential expectations of consumers found in other industries. That is changing and that experiential expectation is changing RIGHT NOW. Healthcare consumers are comparing digital experiences across platforms, across industries, and their expectations of what is a good experience, a bad experience, an exceptional experience are evolving rapidly.

A significant factor driving this experiential change is the entry of non-traditional healthcare companies into the marketplace, and the introduction of highly-disruptive health technologies like connected wearables, remote monitoring, VR and AR, AI for diagnostics, personalized pharmaceuticals based upon genetic mapping... all super cool and amazing things. But these things are all contributing to the desire, the NEED on the part of healthcare consumers for greater and greater personalization of experiences.

And this NEED for personalization brings us to the obvious and clear misalignment between legal and regulatory requirements regarding the management and use of personal data and consumer willingness to sacrifice some privacy for a more personalized experience. As always, legislation and regulation lag technology and consumer demand, so we anticipate seeing some major shifts in how and why personal data is used to better serve the healthcare consumer.

Navigating the consumerization of healthcare, and accelerating the addressing of these challenges is precisely where Adobe can help. Adobe brings to bear de-facto industry leadership in the creation of consumer experiences, and we can leverage years of experiences in other industries in the evolving healthcare space. And we can do this with an eye toward privacy, security and compliance.

Thomas Swanson
Head of Healthcare Industry Strategy, Adobe



2.1. About Adobe

Adobe Experience Cloud provides an end-to-end Customer Experience Management (CXM) solution for experience creation, marketing, advertising, analytics and commerce. It helps companies deliver consistent and compelling experiences across customer touch points and channels – all while accelerating business growth.

Adobe Experience Cloud is comprised of Adobe Marketing Cloud, integrated solutions that help B2B and B2C brands connect with customers on a personal level; Adobe Analytics Cloud, Adobe's customer intelligence engine that helps brands move from insights to action; Adobe Advertising Cloud, the industry's first end-to-end platform that manages advertising for TV and all digital formats; and Magento Commerce Cloud, the most open and flexible commerce platform to integrate digital and physical experiences for B2B and B2C companies of all sizes.

- More than two-thirds of Fortune 500 companies use Experience Cloud today, including 10 out of the 10 largest corporations and financial services companies in the U.S.
- Industry analysts have named Adobe a leader in over 23 categories, such as Web Content Management, Digital Marketing Analytics, Digital Commerce, Marketing Cloud Platforms and more.



3. The New Consumerization of Healthcare

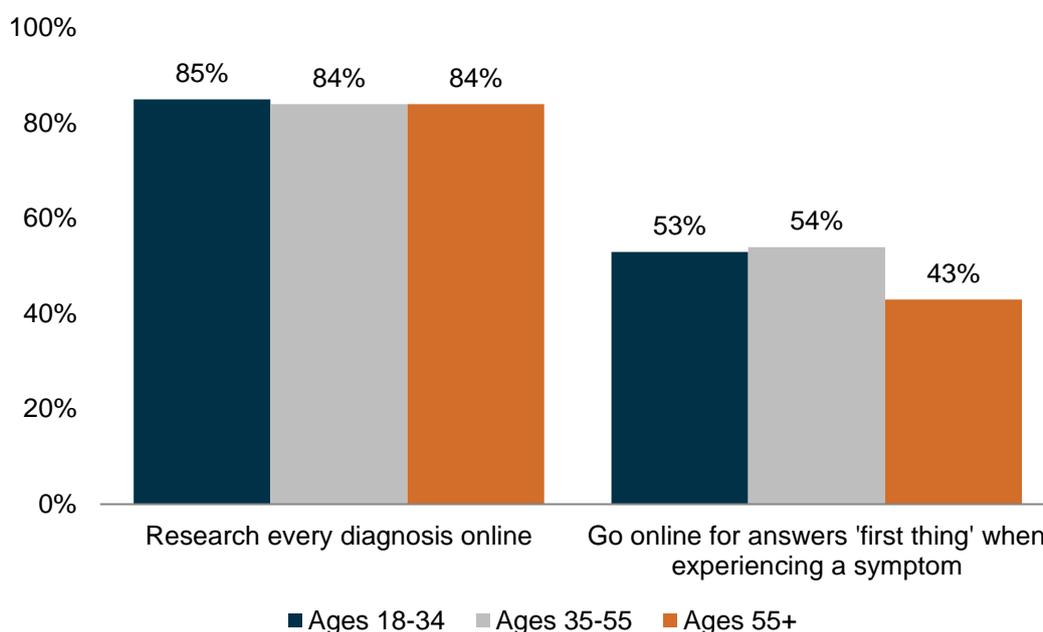
3.1. External pressures and an evolving consumer

Over the last two decades, one industry after another was upended by changes in consumer behavior brought on by digital innovation and the spread of personal technology.

No industry is immune, but a few are resistant. Healthcare has been a notable example thanks to regulation, a lack of disruptive competition and the stabilizing role that healthcare professionals play in the “sales” process. However, this dynamic is changing as consumers take more control in their own healthcare journeys.

This shift begins with digital information permeating healthcare as it has other sectors.

Figure 1. Medical questions get answered online



N=2,655

What is striking about the responses in Figure 1 isn't the role of digital information in the medical research process but that it is uniform across all age groups. While age is a significant variable in many types of technology use and behavior, over time some of those behaviors spread throughout the population. Today, the internet has simply replaced other sources of information.

Healthcare consumers have come to expect information that was once opaque or off-limits, from price transparency to probable outcomes to off-label uses of medications. With that access comes an expectation for greater control over the experience, especially as the patient bears an ever-increasing share of their medical expenses.

In the ten-year span between 2006 and 2016, the average health plan deductible grew four times, from \$303 to \$1,221.¹

Not surprisingly, the empowered consumer has arrived in healthcare.

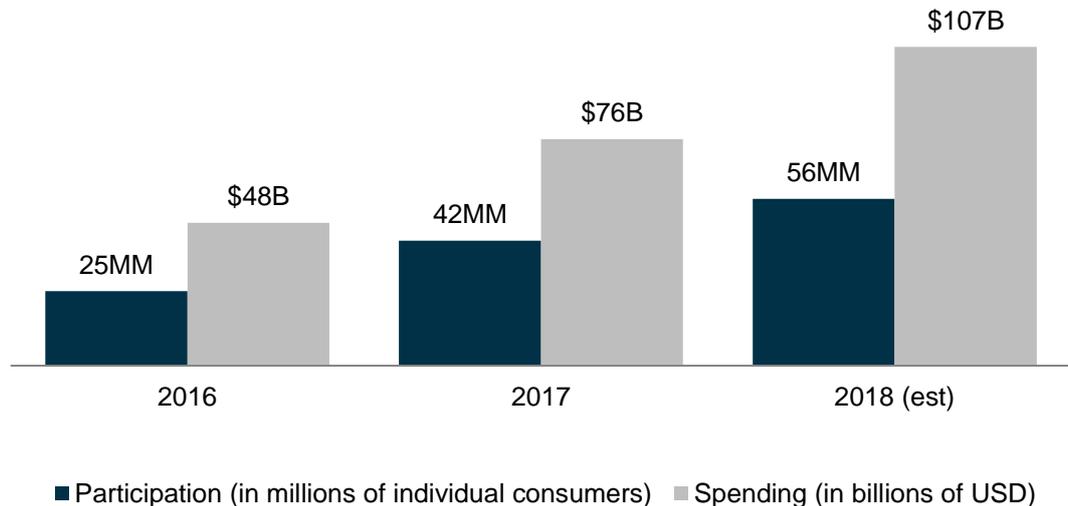
¹ [Average Health Plan Deductibles](#), Kaiser/HRET Survey, 2007-2017



3.2. Consumers don't have the time to waste

Responsive digital experiences have taught consumers that they shouldn't have to put their lives on hold while waiting for mundane processes. The growth in on-demand services and ecommerce is a testament to saving time even more than money. In fact, across a number of different verticals, consumers express a willingness to pay between 12% and 25% more for a given product/service if the experience of buying and fulfillment is more convenient.²

Figure 2. Growth of on-demand services economy 2016=2018



Source: National Technology Readiness Survey, Rockridge Associates and Econsultancy Estimates

This desire to save time and enjoy greater convenience increasingly applies to healthcare.

Forty-two percent of all respondents say the healthcare customer experience is time consuming and difficult to navigate, nearly twice the number than give it passing marks.

This desire manifests in how people choose specific providers and remain with them. When controlling for personal relationship, wait times for service rank as the number one factor in loyalty.

Ultimately, healthcare consumers want what they're getting from other sectors; 75% say that "I want the same convenience from [my healthcare provider] that I get from other businesses."

3.3. Sharing the wheel with digital natives

Since the mid 1990's each rising generation has adopted new technologies and driven new changes to our digital landscape, from email to browsing to search to mobile phones to social and so on. While direct to consumer sectors have dealt with these waves of innovation in the moment, healthcare industries have enjoyed some lag time. With HCP 'customers' that tend to be forty and older, rapid digital adoption wasn't a burning issue.

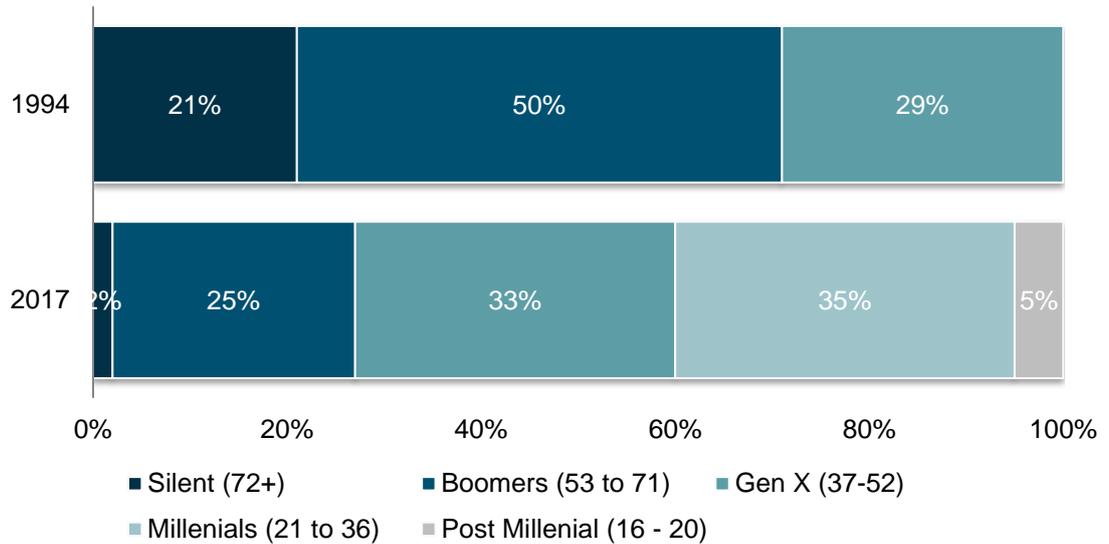
This trend is waning, as the first digital generation nears 50. This demographic slice, born around 1970, didn't grow up with the computer, but they became exposed in high school and were the first collegiate class to own or use them regularly. They've had thirty years of digital experiences to train them, and in many behavioral aspects related to technology and commerce, look more like 'millennials' twenty-five years younger than retirees only ten years older.

² [Future of Customer Experience](#), PWC, 2017



This is the generation that healthcare providers need to think about, both in terms of their own expectations and the needs of the aged relatives for whom they're caring.

Figure 3. Change in population make-up 1994-2017 by generational alignment



Source: Pew Research Center analysis of 1994-2017 Current Population Survey

Looking at Figure 3 we see the enormous swing toward youth in the last 20 years of demographic change. Marking digital acceptance at roughly 50 years old, three quarters of the population is now accepting of, or enthusiastic for, digital services.

This majority will not sit back and accept professional's advice as gospel. Nor will they remain with providers that waste their time or fail to effectively share information. They research new treatments, pharmaceuticals and procedures, they share their opinion and they absolutely expect services to be digital, on-demand and efficient.

4. Consumer Priorities throughout the Engagement Funnel

Healthcare marketers recognize that as their industry changes, customer experience will be a key competitive factor. In a 2018 Econsultancy study, over half of the marketing executives in the Healthcare and Wellness category said that “we don’t sell a product, we sell an experience” – a remarkable ratio in a sector with products that save lives and used to high switching costs.³

Figure 4. Healthcare ranks below most consumer industries in customer experience

How do the following compare in terms of being fast to respond, offering choices for communications and other elements of your experience as a customer?
[Ranked from Best to Worst]

	Index	Overall Rank
Retail - stores and websites	2721	1
Wireless and home technology - mobile and cable related services	2376	2
Financial services - tax planning, insurance and investment	2328	3
Real estate - agents and services	2220	4
Healthcare - insurance companies and healthcare providers	2102	5
Automotive - dealers and services	1893	6
Government - state and local offices	1396	7

N=2,143

Today, healthcare doesn’t rank well against more directly customer facing businesses, coming 5th among seven sectors and only outscoring auto dealers/service and state/local government.

However, as the customer’s role in the healthcare process grows, the industry has an opportunity to respond by improving and even recreating the essential elements of the customer experience.

³ Econsultancy, *Future of Marketing Survey, 2018* [n=792]



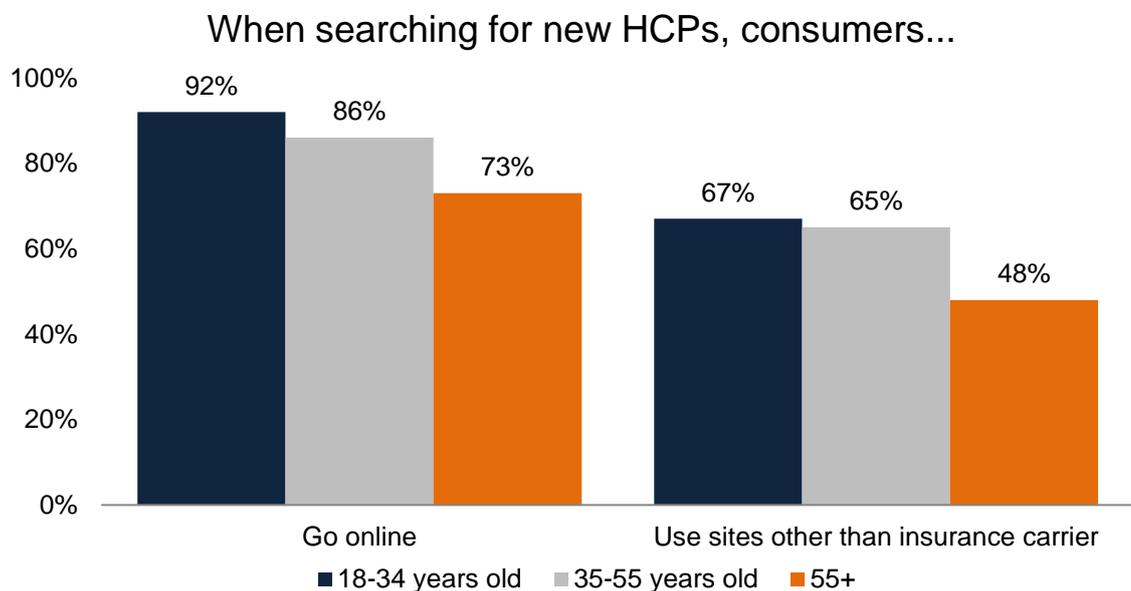
4.1. Acquisition – how consumers find and choose HCPs

Regardless of age, we go online to research our healthcare options. While nearly one quarter says that their carrier limits options, only 8% do not go online at all during the research process.

While website research dominates, social recommendations are common, and play a very significant role when used. Nearly 40% of all respondents use their online networks to gather recommendations about new healthcare providers and services, though the average is dragged upwards by the 54% of those under 35 who cite using social in this way at least occasionally.

Comparison sites are the norm in many industries, and usage is rising in healthcare. Overall, 30% of respondents say that they use comparison sites in evaluating new HCPs, with that share rising to 40% for respondents under 35 years of age.

Figure 5. Rate of online research for new HCPs by age



N=2,594

When consumers rank their decision factors, quality is first, as represented by “ratings/reviews of the provider.” However, the experience ranks highly, with “customer service” and “convenience” in a statistical tie for second place.

The generational divide is stark in this area. Those under 55 rank “customer service” as the second most important factor in choosing a new provider/service after their ratings/reviews. In contrast, those over 55 rank customer service dead last among all factors.

4.2. The “Product” – how consumers value elements of the healthcare experience

The product is the experience. Nowhere is this truer than healthcare, where customers engage in months or years long cycles of in-person visits and interactions can be deeply personal. At times outcomes are unpredictable and emotions are high. Add soaring costs to that list, and you have a



recipe for customers who are simultaneously highly engaged and anxious.

From a service perspective, this combination challenges every stakeholder in healthcare to provide a satisfactory experience.

Of course, patient outcomes are the most important metric, but marketers have another remit; to understand and optimize the elements of the experience that surround the customer during their journey.

Choice is the central theme that emerges from consumer feedback. Across age groups, individuals express overlapping preferences for how they want to receive information and interact with service providers and insurance companies.

For example, while digital channels are preferred for interacting with HCPs by 70% of respondents under 35, the telephone is cited by 51% as an important alternative. Choice is key within the digital umbrella as well; among those with a digital preference, the top ranking is nearly split between websites (57%) and mobile apps (43%).

- Booking appointments – 62% of the sample says that they have come to expect their providers to offer online appointment booking and 44% say that it's very important to them.
- Receiving/sending information – 84% say that they should be able to exchange secure messages with their provider. The specific methods depend on the interaction, so like any consumer-facing sector, healthcare marketers are responsible for designing an information flow that's secure and flexible to the user.
- Options for interaction – time is of the essence and anything that can cut down wait times or increase time with providers is seen as highly valuable. For example, nearly 60% of respondents under 55 years old said it would be “life changing” or “very useful” if they could interact with providers via video chat to deal with routine visits.

Younger consumers see the prospect of video chat as more than simply a way to save travel times. Fifty percent of those under 35 say they would rather have a longer appointment via video than a shorter one in person.

Digitally savvy consumers present a challenge and opportunity to healthcare providers.

On one hand, their demands for a multi-channel experience require providers to re-examine their processes from the bottom up. On the other, their openness to digitally enabled services such as online booking and video chat also opens up fulfillment possibilities that are more efficient and cost effective once those processes evolve.

4.3. Loyalty – how to continue and expand the relationship

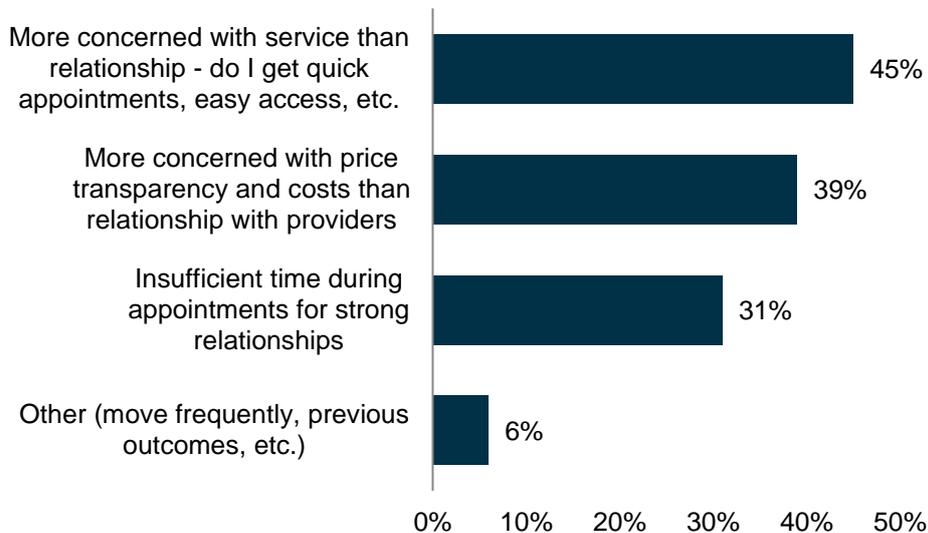
Loyalty to healthcare providers has dropped considerably in the digital era. Across all age groups, 32% say that they are “less loyal to [specific providers] than I used to be.” Not surprisingly, loyalty and age are inversely related; only 19% of those over 55 years old describe a drop in loyalty, compared to almost 40% of those under 35.

As the strength of individual relationships recedes, the importance of service elements such as wait times, booking options and communication is growing. Of those consumers citing a decrease in their loyalty, the top reason given is that they are simply “more concerned with service than relationship.”



Remarkably, costs and price transparency rank second in importance, further highlighting the importance of convenience.

Figure 6. Reasons cited for a drop in healthcare provider loyalty



N=697

Increasingly, consumers perceive healthcare as they do other services – less about human interaction than easy, digital and self-service processes. The challenge for marketers, then, is threefold; first to address the issues and opportunities in improving the overall experience and second, to effectively communicate these changes to consumers.

At the same time, regardless of where they sit in the digital/classical marketing spectrum, marketers can't overcorrect to digital. While the movement toward a more digitally-enabled life is everywhere, most interactions, purchases and conversations take place offline. That's easy to overlook in the rush to assemble assets and build digital expertise and assets.

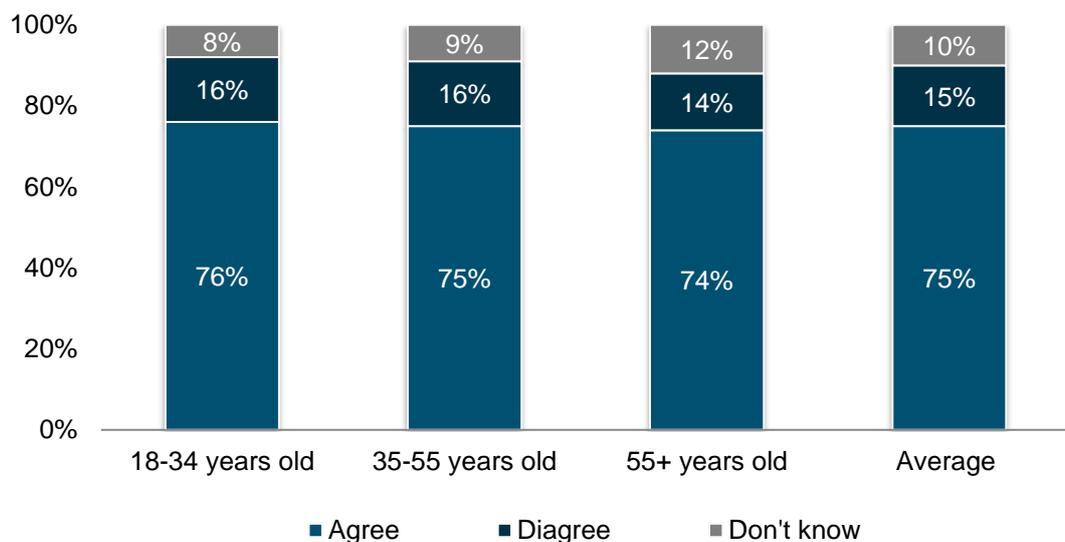


5. The Road Ahead: Recommendations for Healthcare Brands

5.1. Trust inertia at your peril

“I want to have the same experience in healthcare that I have at other businesses.” That simple statement resonates for three in four consumers, regardless of age, and it means big changes are coming throughout the sector where they haven’t arrived already.

Figure 7. Agree/Disagree: “I want the same experience in healthcare that I get from other businesses.”



N=2,546

The experience healthcare consumers expect is responsive, convenient and digitally-enabled. Nearly 60% of all respondents say they would “absolutely” or “very likely” switch providers if offered an experience that includes faster appointments, online booking and video appointments. Among those under 35 years old, 94% say they would be open to switching providers.

Rising costs, less time with providers and byzantine processes result in unhappy consumers who are practical and open to new solutions.

Most strikingly, nearly 60% of younger respondents say that they would be comfortable with a computer diagnosing their condition if it were shown to be more accurate than a human being. While those solutions are still on the horizon, attitudes toward them are already changing. The challenge for the healthcare industry is to understand the frustrations powering shifts like these and implementing solutions to address them with today’s technology.

Takeaway: The kinds of rapid disruption that has become common in business to consumer sectors is coming, even in a nuanced business to business to consumer industry like healthcare. Specifically, the rise of digital information and personal healthcare tools coupled with changes in care (rising costs, high deductibles and decreasing loyalty to HCPs) is opening the door to new solutions and competition. The most important change may be simply the attitudes of modern healthcare consumers, who are increasingly comfortable with innovations in healthcare delivery, from online-only pharmacies to video appointments and computer diagnostics.



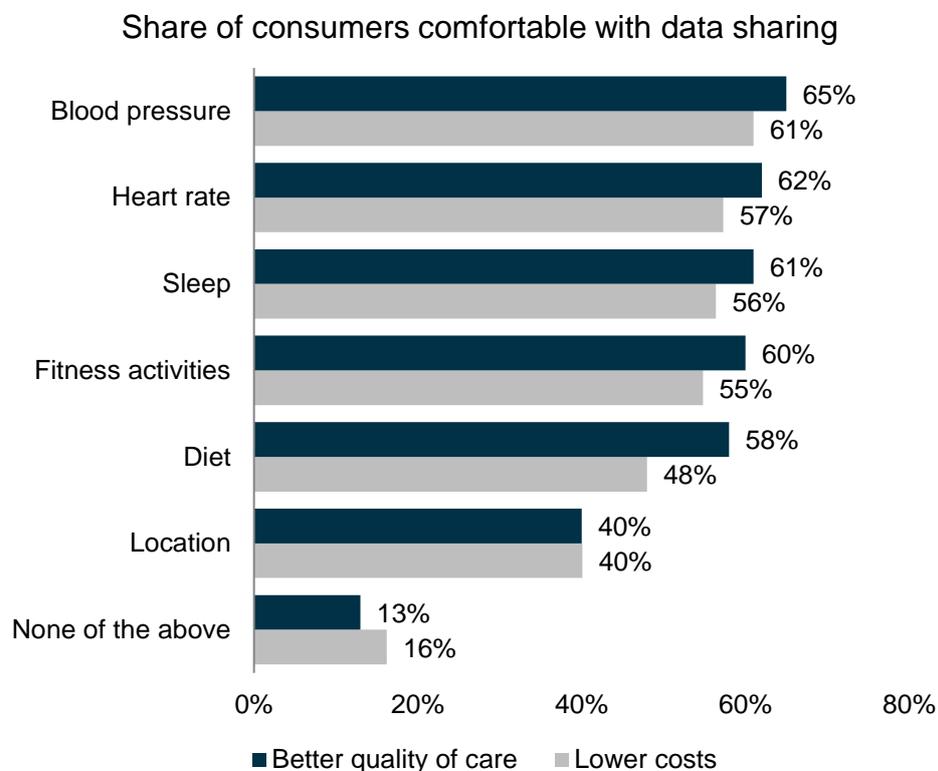
5.2. Consumer-centric is data-centric

If the goal of modern healthcare marketing is to promote choice and build loyalty through customer experience, then marketers must build organizations that can effectively collect data, interpret it and act accordingly.

Healthcare data is regulated and thought of as highly private. Yet the exchange of this data for value is already vibrant. Forty-one percent of all respondents and 54% of those under 35 carry mobile apps related to fitness, which routinely collect activity and behavioral data. Although that data is the definition of personal, the value is clear and the exchange routine.

This kind of exchange is poised to increase dramatically as common consumer technologies expand to create and monitor health and wellness data. Combined with location and other metrics, this context will offer healthcare providers the opportunity to understand what their consumers need and how to deliver it.

Figure 8. For lower costs or better care, consumers are open to sharing their data



N=1,680

The issue for most consumers across age groups is less that they are unwilling to share their data, but that they do not get enough in return. As seen in Figure 8 above, a wide variety of data is on the table, but only if it is part of a reasonable exchange.

The opportunities for this exchange exist wherever there is friction or confusion.

Scheduling and communications are the place to start, by offering digital options for making appointments, streamlining office visits and enabling secure two-way messaging.

Content delivery is the workhorse of complex sales and healthcare is no exception.

Understanding the cadence and content of messaging is the path to greater loyalty, but only if it is powered by data that defines the individual and their specific needs.



Integration is an essential step to achieve the full context individual data allows. Today's Fitbit and Apple Watch data is largely lost except in the aggregate, but technology companies are working to make it more available and meaningful in a treatment and monitoring context. Providers should be well versed in the opportunities coming on line to have an ongoing link to their consumers' lifestyle and wellness data.

Predictive analytics are already playing a considerable role in how payers and providers predict and anticipate behavior to drive better adherence to treatment plans. In time, these capabilities will power more relevant communications and personalized content that will help the end consumer achieve improved outcomes while adding to the depth of interaction.

Takeaway: The customer experience revolution is coming to healthcare. The current trends in the industry lead to diminished loyalty to specific providers, and technology offers one route to deepening and improving the relationship. Consumers are willing to share their data if it means a better quality of care or a more streamlined, predictable experience. Healthcare marketers must manage the implementation of the systems that enable individual care at scale.

5.3. Time, access and cost – improve any to win

What is a great experience? The answer is unique to the individual and the moment, but the place to start is to examine three key areas; cost, access and time.

The priority on convenience seen throughout the study is a reflection of stress. Modern consumers feel pressed for time and are grateful for any innovation or process that can help them understand what they're dealing with in clear terms and fulfill their obligations more easily.

Outright costs themselves are often outside the purview of marketing, especially in regulated industries. However, distributing pricing guidance to the applicable digital and offline touchpoints is an opportunity to reduce stress and confusion while building loyalty. Cost transparency ranks highly as a loyalty factor, especially among respondents between 18 and 35.

Access to HCPs used to be a zero-sum equation. Appointments took a fixed amount of time and emergencies disrupted the schedule, leading to shortened visits and long wait times.

Today, we are beginning to see access in a new light, as a more flexible “product” that can be delivered in person or through digital means. The enthusiasm for video-chat appointments shows that the norms of healthcare are changing and presenting marketers with the opportunity to use digital tools to offer services that are simultaneously more profitable and beneficial to customers.

For many people, a great experience often boils down to time. Was making or attending an appointment quick and on-schedule? Too often, the answer is “no” with nearly one in four respondents under 35 saying the experience of dealing with their HCPs is “very poor” or “poor” and a third saying they are “neutral” – that the experience neither satisfying nor frustrating.

The nexus of access and time is in appointment setting, as seen by the 90% of respondents of all ages that say it is important that their providers offer online booking via site or mobile app. More than half of all respondents say that they will look for another HCP if they routinely need to wait more than two weeks for an appointment, and the figure rises to 67% among younger consumers.

Takeaway: Healthcare is a complex combination of specific products (visits, prescriptions, procedures, etc.) surrounded and supported by services (booking, in-office experience, messaging and content). As products are commoditized, services become more important. In an industry that is slower to evolve than strictly consumer sectors, the danger of disruption is high and the opportunity for fast movers is great. Even incremental improvements in the key areas of cost transparency, access and time management will separate providers from the mainstream.

